



KATHLEEN
McGUINNESS
DELAWARE
STATE AUDITOR

*Department of Health and Social Services
Delaware Psychiatric Center
Patients' Trust Fund*

What Was Performed? An Agreed Upon Procedures (AUP) attestation engagement of the Department of Health and Social Services (DHSS), Division of Substance Abuse and Mental Health (DSAMH), Delaware Psychiatric Center (DPC) Patients' Trust Fund for Fiscal Year ended June 30, 2019.

Why This Engagement? This engagement was performed as a result of confidential reports from the Auditor's Office's Fraud Hotline and Fraud App, 29 Del. C. § 2906, and Title 16 of Delaware Code, Chapter 60 Section 6002, 6003, and 6004 which is applicable to any institutions operated, maintained, or under the supervision of the Department of Health and Social Services (DHSS).

The State Auditor's Office performed agreed upon procedures on a sample of patients' trust fund accounts including verifying interest earned, cash disbursement and cash receipt transactions applied and reconciled are compliant with the Center's policy and procedures and the state's financial accounting requirements.

DPC, a unit operated under DSAMH, located in New Castle, Delaware, has a 115-bed capacity and had over \$60,000 in Patients' Trust Fund deposits in Fiscal Year 2019.

What Was Found? Our AUP engagement contains the following results:

- The Patient Trust Fund appropriation received the correct monthly allocation of earnings in FY2019 from OST and the interest earning correctly posted to the individual patient account.
- DPC provided their reconciliation of the state accounting system to the unit's accounting system for June 30, 2019, however OAOA was unable to reconcile based on documentation provided.
- OAOA was unable to verify DPC recorded ACH payments to the correct patient account because no supporting documentation was provided to perform the test procedure.
- DPC did not consistently record manual checks received on the incoming check deposit log.
- DPC did not close deceased patient accounts and discharge the account balances.
- DPC did not have all supporting documentation for cash disbursement transaction including missing or undetermined authorized signatures and missing supporting documentation including support for the FSF state accounting system. Further, some transaction dates in the documentation provided did not match.

The new report, Department of Health and Social Services Delaware Psychiatric Center Patients' Trust Fund," can be found [here](#).

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at Kathleen.Mcguinness@delaware.gov.
